GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:996
ANSWERED ON:29.07.2005
FOREIGN BANKS
Mehta Shri Bhubneshwar Prasad

Will the Minister of FINANCE be pleased to state:

(a) the number of foreign banks found guilty of transfer pricing irregularities and have been probed by Transfer Pricing Directorate so far; and

(b) the action taken against the erring foreign banks?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) 20 cases.

(b) In 19 cases aggregate adjustments have been made to the transfer price amounting to Rs.119.79 crores. In one case penalty proceedings have been initiated for imposition of penalties under Section 271AA of the Income-tax Act for failure to keep and maintain information and documents in respect of international transaction and under Section 271BA for failure to furnish report from an accountant.